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DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

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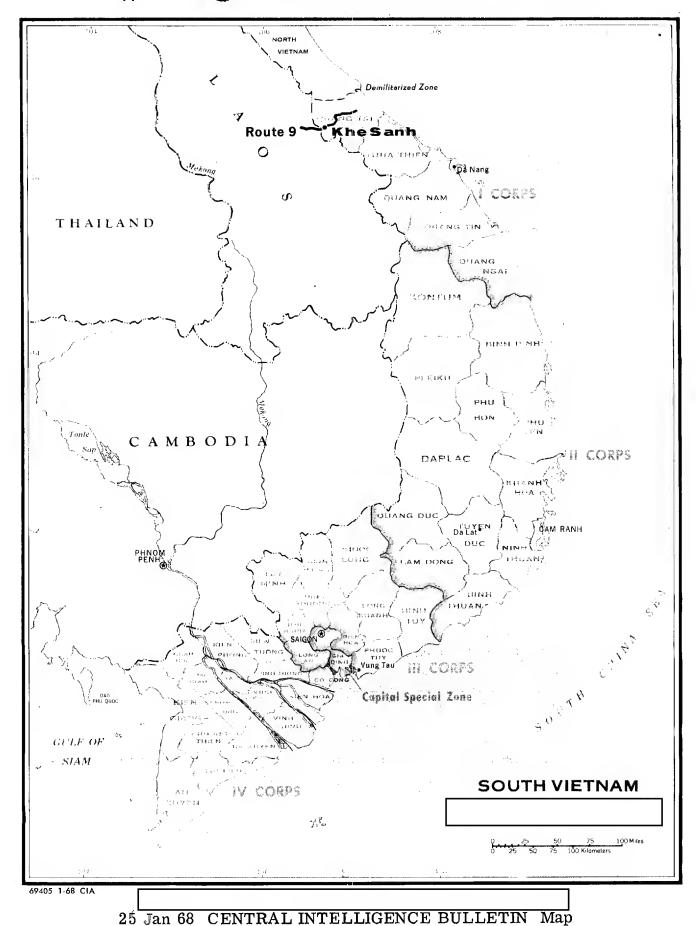
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Central Intelligence Bulletin

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*Vietnam:

South Vietnam: North Vietnamese units continue active in the Khe Sanh area.

Although no major fighting was reported on 24 January, US Marine patrols discovered breaks in the barbed-wire barrier surrounding the main strongpoint. The patrols also report extensive enemy movement east and along Route 9 west of Khe Sanh.

The Marine defenses are under pressure from sporadic enemy shelling. The main base at Khe Sanh came under artillery attack for almost five hours on the 24th.

North Vietnam: Hanoi now seems unwilling to elaborate publicly its present policy toward talks on the war.

In contrast to efforts made prior to President Johnson's State of the Union address to underscore the reasonableness of the Communist position, Hanoi now seems bent on preventing exaggerated interpretations of its intentions. The North Vietnamese have since concentrated on denouncing the President's restatement of the San Antonio formula and have in general returned to a hard-line treatment of the war, playing down their recent "will" talk offer.

In addition, the North Vietnamese spokesman in Paris, Mai Van Bo, who last week seemed eager for press contacts that would allow him to play up the positive aspects of Hanoi's position, on 22 January canceled a scheduled interview with the excuse that he had 'said everything he had to say up to now.'

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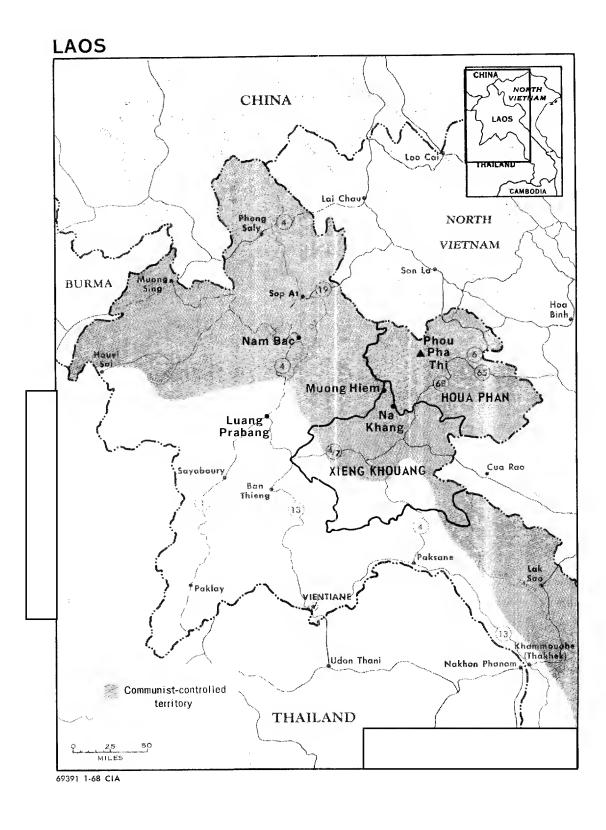
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A Western press source reports that Soviet remier Kosygin may go to Hanoi after his current sit to New Delhi. The story is not confirmed, but ach a visit is possible and could coincide with a et bombing pause. The last high-level Soviet visit	
to North Vietnam was in January 1966 when politburo	
member Shelepin led a delegation to North Vietnam	 0EV4
during the 37-day bombing pause.	25X1

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25 Jan 68 CENTRAL INTELLIGENCE BULLETIN Map

Laos: The Nam Bac defeat now appears to be one of the most costly setbacks the Laotian Government has suffered in several years.

Although it will be some time before the exact number of government casualties can be fixed, losses probably will be considerable. Over a week has passed since the Nam Bac defensive perimeter collapsed, but the government can account for less than half of the 3,500-man force deployed there. The government also lost large stocks of heavy weapons, ammunition, and other equipment.

Communist forces are harassing the troops withdrawing from the Nam Bac area and have prevented the government from establishing a new defensive line south of the base. There is no indication, however, that the Communists intend to follow up their success with a drive into government-held areas. Communist activity near the royal capital of Luang Prabang appears to be an attempt to tie down a substantial number of government troops.

The Communists are also stepping up their annual dry season campaign against government guerrilla bases in northeastern Laos. The enemy has recently taken a number of outlying posts near Phou Pha Thi, possibly in preparation for artillery attacks on the airstrip. Loss of this base, which was unsuccessfully attacked by North Vietnamese aircraft on 12 January, would seriously disrupt government operations in northern Houa Phan Province. This would also deprive the US of navigational aids for air operations over North Vietnam. 1

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In addition, the Communists captured the govern- ment position at Muong Hiem on 23 January, suggest- ing that an early thrust may be made against Na Khang, the principal base for friendly guerrilla operations in	25X1
northern Xieng Khouang Province.	

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<u>USSR:</u> Pay raises for military personnel may be included in the 15-percent increase announced for the Soviet defense budget for 1968.

Although the published version of the newly instituted universal military service law contains no explicit provision for greater pay for career military personnel, a recent commentary on the law implies there may be one. Military pay data normally is considered classified information by the Soviets.

Describing the law in Red Star, Marshal M. V. Zakharov, chief of the general staff, reported that changes aimed at "improving the material and legal positions" of officers and long-term enlisted servicemen are being introduced. Even without an increase, these personnel would be receiving more than 90 percent of the total Soviet military pay, since conscripts get only nominal pay.

It is not clear how big a raise is intended, but an increase of 10 percent, for example, would add about 350 million rubles to the defense budget. This would be about 16 percent of the 2.2 billion ruble increase the Soviets announced will be made in defense spending in 1968.

An increase could be considerably more than 10 percent. No major revision of the Soviet military pay structure has been detected in over 20 years. The wages of the civilian labor force have nearly doubled	25X1
during this period.	

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Latin America: The Central American countries hope to force a new approach to the election of a secretary general of the Organization of American States (OAS).

In a conversation with Assistant Secretary Oliver on 22 January, Panamanian President Robles insisted that all contenders withdraw if the Panamanian candidate, Eduardo Ritter, drops out of the race. His government has invited the Central American foreign ministers to meet in Panama on 26 January. The ministers probably will try to agree on how to force these withdrawals and find a more acceptable candidate for the fifth ballot on 12 February. The Dominican Republic and Mexico as well as Paraguay and possibly other South American countries are expected to support the Central American bloc.

The other candidates are Marcos Falcom Briceno of Venezuela and Galo Plaza of Ecuador. Ritter lacked only two votes of the required majority of 12 in the fourth ballot in late November. On 8 January, however, he undermined his prospects by delivering a polemical speech before the OAS Council. Neither Plaza nor Falcom has yet topped six votes.

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